

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI

THOMAS and DIANN ELLIOT

Plaintiff,

VS.

CENTER STREET SECURITIES, INC.,
JACK R. THACKER and
JEFFREY T. KENNEDY

Defendants.

Civil Action No.:
4:25-cv-00205-RWS

ANSWER AND COUNTER-CLAIM TO VACATE ARBITRATION AWARD

Preliminary Statement

1. Jeffrey Kennedy, representing himself in this matter, files this Answer to the Petition to Confirm an Arbitration award, and simultaneously files my own Counter-Claim Motion to Vacate the underlying FINRA Arbitration Award that was assigned FINRA Case No.: 22-02391 (the “Award”).

2. I apologize for any layman errors that may occur in my response, but due to the fact that I am representing myself, I hope the Court will excuse my lack of experience defending myself in legal matters.

Parties

1. I am a resident of Giddings Texas, and had been working in the securities industry for approximately 17 years at the time the Petition was filed. I had been registered with Defendant Center Street Securities at all relevant times

2. The Elliots were clients of mine and are believed to have resided at all relevant times in Illinois.

Background

3. Plaintiffs in this matter filed a Statement of Claim (the “SOC”) through the arbitration forum offered by the Financial Industry Regulatory Authority, Inc. (“FINRA”) on or about October 18, 2022 and I was added to the action on January 26, 2024 when they filed an amended SOC after the Broker Dealer, Center Street Securities, was shuttered by its parent company in an apparent attempt to avoid potential liabilities.

4. The underlying arbitration was assigned FINRA Case No.: 22-02391.

5. The subject matter of the FINRA Arbitration filed by Plaintiffs related to the handling and recommendations of securities in their brokerage account at Defendant Center Street.

6. Respondent sought compensatory damages in the amount of between \$137,426 and \$1,074,933 and other damages, including punitive damages and legal fees lost and incurred as a result of the handling Plaintiffs’ account.

7. The arbitrators assigned to hear the case were Arbitrators Coonrod, Adams and McLaughlin. All arbitrators were placed on the Panel to serve as a “Public Arbitrator” as that term is defined in the FINRA Rule Series 12100 (t).¹

8. Hearings were held in the arbitration in Missouri on January 27 through 31, 2025. It is important to note that the attorneys representing Defendant Center Street Securities and Defendant Thacker withdrew as counsel prior to these hearings.

9. On or about February 14, 2025, the Arbitrators assigned to the arbitration case awarded Plaintiffs damages of \$80,522 against me and Defendants Center Street and Thacker jointly and

¹ FINRA defines non-public arbitrator as “a person who is otherwise qualified to serve as an arbitrator, and is disqualified from service as a public arbitrator under paragraph (aa).

severally and also awarded other amounts solely against Defendants Center Street and Thacker. See Exhibit “A” annexed to Plaintiffs’ Petition. I also believe that Center Street is no longer in business and that Defendant Thacker has filed for bankruptcy protection.

10. The award rendered by the arbitrators should be vacated pursuant to 9 U.S.C. §10 because Arbitrator McLaughlin was misclassified in her status as a FINRA “Public Arbitrator” when the facts show she was a FINRA “Non-Public arbitrator” according to the Rules of FINRA, and the Panel was supposed to be comprised of all “Public Arbitrators”.

11. I attach as “Exhibit 1” to the Answer and Counter-Claim, the Profile of Arbitrator McLaughlin and refer the court to page 3 of 5 of that document.

12. As evidenced in the Profile of Arbitrator McLaughlin in the Arbitrator Background Information Section, Arbitrator McLaughlin was a contract attorney for no less than 16 entities, some of which were securities firms including Goldman Sachs, Merrill Lynch and Morningstar Inc.,

13. This work experience of Arbitrator McLaughlin disqualified her from being classified as a “Public arbitrator” according to FINRA Rule 12100 (aa) because of her involvement within the securities industry. Under FINRA Rule 12100(aa) “a person shall not be designated as a public arbitrator, who was, for a total of 15 years or more, an attorney...who has devoted 20 percent or more of his or her professional time annually, to any entities listed in paragraph (aa)(1). That paragraph specifically identified a broker or a dealer or an entity organized or registered to the Securities Exchange Act of 1934, Investment Company Act of 1940, or the Investment Advisers Act of 1940.

² Goldman Sachs & Co. LLC is a registered broker dealer and investment adviser CRD#: 361/SEC#: 801-16048,8-129.

³ Morningstar Investment Services LLC is a registered broker-dealer and investment advisor CRD#: 112525/SEC#: 801-60401,8-53593.

14. I ask this court to Vacate the Award and direct that another hearing be held through FINRA with a new panel because all 3 arbitrators were to be classified as Public arbitrators, but Arbitrator McLaughlin did not qualify for that classification given her experience.

15. To the extent that I must respond to the Petition to Vacate, I state that I deny the contention that the Petition should be granted and I allege that it should be denied.

ANSWER TO PETITION

Unless specifically admitted, I deny all allegations made by the Plaintiffs. I respond to the Petition specifically as follows:

1. The paragraph states a legal basis which is for the court to decide. I deny, however, that the FINRA Arbitration Panel agreed with the Claimants securities fraud claims. In fact, these claims were specifically denied in paragraph 7 of the AWARD, and while FINRA Arbitrators have the power to refer Respondents for disciplinary action in cases of fraud, no such referrals were made.

2. I believe the Elliot's live in Illinois and are a retired couple, but I expressly disagree that they were victims of securities and investment fraud as these allegations were NOT agreed with by the FINRA Panel but were in fact specifically denied in paragraph 7 of the AWARD. I ask the court to avoid drawing any such conclusions from these additional accusations in this civil filing because the arbitration panel DID NOT CONCLUDE THAT FRAUD OCCURRED.

3. I don't know the state of incorporation for Center Street and deny that I was implicated in Fraud in any manner, coordinated or otherwise.

4. I don't know the residency of Defendant Thacker.

5. I admit that I am a resident of Texas and that I resided in Illinois at times, but I deny that there was fraud in the handling of the accounts on the basis of the facts contained in the FINRA AWARD previously referenced.

6. The paragraph states a legal basis which is for the court to decide.

7. I deny any knowledge of the contentions raised in paragraph 7. I was never a Principle or even an employee of Center Street Securities and cannot speak to the alleged motivations of their actions.

8. The paragraph states a legal basis which is for the court to decide.

9. No securities fraud was found against me by the FINRA Arbitration Panel.

10. I deny the allegations in paragraph 10.

11. I deny that the award stated there was securities fraud. In fact, these claims were specifically denied in paragraph 7 of the AWARD, and while FINRA Arbitrators have the power to refer Respondents for disciplinary action in cases of fraud, none were made.

12. I deny that the award should be confirmed.

13. The paragraph states a legal basis which is for the court to decide.

14. The paragraph states a legal basis which is for the court to decide.

15. The paragraph states a legal basis which is for the court to decide.

16. The paragraph states a legal basis which is for the court to decide.

17. The paragraph states a legal basis which is for the court to decide.

18. The paragraph states a legal basis which is for the court to decide.

19. The paragraph states a legal basis which is for the court to decide.

20. The paragraph states a legal basis which is for the court to decide.

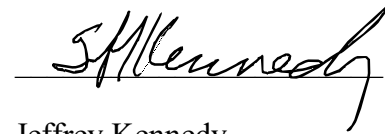
21. The paragraph states a legal basis which is for the court to decide.

22. The paragraph states a legal basis which is for the court to decide and my Counter-Claim speaks for itself.

23. The paragraph states a legal basis which is for the court to decide and I have filed a Counter-Claim Motion to Vacate.

24. Damages awarded by the FINRA Arbitration Panel were in fact NOT found to be due to securities fraud or violations of the securities rules and regulations, but were expressly denied by paragraph 7 of the AWARD.

WHEREFORE, I ask that the Petition to Confirm be Denied and my Counter-claim to Vacate be Granted.

 4/3/25

Jeffrey Kennedy

1093 County Road 205

Giddings, TX 78942

Respondent KENNEDY - EXHIBIT 1

Arbitrator Disclosure Report

Arbitrator last affirmed the accuracy of this Disclosure Report on 10/02/2024

ARBITRATOR

Name:	Ms. Laura Lee McLaughlin	Classification:	Public
Arbitrator ID:	A62917	FINRA Mediator:	
CRD #:		Chair Status:	None
City/State/Country:	Webster Groves / MO / United States	DR Portal Registered:	Yes

EMPLOYMENT

<u>Start Date</u>	<u>End Date</u>	<u>Firm</u>	<u>Position</u>
07/2024	Present	Unemployed	N/A
02/2023	07/2024	Springfield College	VP General Counsel, Secretary
07/2018	02/2023	Eastern Illinois University	General Counsel
11/2016	07/2018	Epiq Global	Team Leader
05/2016	11/2016	Unemployed	N/A
12/2008	05/2016	Logan University	General Counsel
09/2002	11/2008	Armstrong Teasdale	Litigation Associate
09/1997	11/2000	GE Capital Mortgage Services	HR Manager
05/1996	09/1997	Multiplex	Manager HR
11/1990	05/1996	Missouri Higher Education Loan Authority	VP Human Resources
06/1981	06/1990	Washington University	Research Associate

EDUCATION

<u>Start Date</u>	<u>End Date</u>	<u>School</u>	<u>Degree</u>
09/1998	05/2002	St. Louis University	JD
09/1989	05/1991	Washington University	MA
09/1977	05/1981	St. Louis University	BS

TRAINING

<u>Completed</u>	<u>Course</u>	<u>Details</u>	<u>Firm/School</u>	<u>Hours</u>	<u>Location</u>
05/2024	Enhanced Expungement Training		FINRA	1	online
05/2024	Duty to Disclose online mini-course		FINRA	1	online
11/2018	Live Video Basic Panel Training		FINRA	2.5	live WebEx
10/2018	Expungement online revised - 3/2009		FINRA	1.5	online
10/2018	Online Basic Panel Training		FINRA	8	online

10/2018	New Online Civility Training	FINRA	1	online
10/2018	Direct Communication Rule	FINRA	1	online

CONFLICT INFORMATION

A neutral's current relationship with a FINRA member firm is considered a conflict of interest which precludes the neutral from serving on a case involving said firm. FINRA's list selection algorithm automatically screens for known conflicts with FINRA member firms when generating lists of potential neutrals for a case, and, where a known conflict exists, the neutral will not appear on a list in that case.

Note: Disclosures of type "Related Conflict With" are automatically added to the list of disclosures by FINRA using data found in the Central Registration Depository (CRD). These disclosures are not provided directly by the neutral.

<u>Type</u>	<u>Firm Name</u>	<u>Details</u>
Has an account with	Merrill Lynch, Pierce, Fenner & Smith Incorporated	Cash Management Account and IRA
Has an account with	TIAA-CREF Individual & Institutional Services, LLC	IRA
Has an account with	TIAA-CREF Individual & Institutional Services, LLC	Neutral has a Retirement Savings Plan with Illinois University Retirement System
Related Conflict With	Advest, Inc.	Conflict due to firm affiliation
Related Conflict With	Banc Of America Investment Services, Inc.	Conflict due to a merger/acquisition
Related Conflict With	Banc Of America Securities LLC	Conflict due to a merger/acquisition
Related Conflict With	Bofa Securities Prime, Inc.	Conflict due to firm affiliation
Related Conflict With	Bofa Securities, Inc.	Conflict due to firm affiliation
Related Conflict With	Merrill Lynch Professional Clearing Corp.	Conflict due to a merger/acquisition
Related Conflict With	Nuveen Securities, Llc	Conflict due to firm affiliation
Related Conflict With	Pershing Llc	Conflict due to clearing relationship

DISCLOSURE INFORMATION

Neutral disclosures are provided for the parties' information but are not considered conflicts of interest. FINRA's list selection algorithm does not screen disclosure information when generating lists of potential neutrals for a case. The parties may consider this information when making decisions as to neutral selection.

Parties are encouraged to conduct their own due diligence for any prospective neutral, including their social media presence. Keep in mind that social media presence can change as accounts may be opened or closed, privacy settings may be changed and posts can be created, edited and/or taken down by the user. Social media posts made by FINRA neutrals do not reflect the opinions and views of FINRA.

<u>Type</u>	<u>Firm Name</u>	<u>Details</u>
Currently on Board of Directors	United Way of Pioneer Valley	
Disclosed Online Activities	Avvo	https://www.avvo.com/attorneys/63119-mo-laura-mclaughlin-1872275.html
Disclosed Online Activities	LinkedIn	https://www.linkedin.com/in/laura-mclaughlin-a43855b/

Disclosed Online Activities	Logan University	https://www.logan.edu/news/post/laura-mclaughlin-honored-by-the-st-louis-business-journal
Disclosed Online Activities	Springfield College	https://springfield.edu/directory/laura-mclaughlin
Disclosed Online Activities	Twitter	@mclwebster
Has made a disclosure about	AIG	Neutral was contract attorney for AIG through Epiq Global
Has made a disclosure about	Apotex Inc.	Neutral was contract attorney for Apotex Inc. through Epiq Global
Has made a disclosure about	Charter Communications	Neutral was contract attorney for Charter Communications through Epiq Global
Has made a disclosure about	Complete Merchant Solutions	Neutral was contract attorney for Complete Merchant Solutions through Epiq Global
Has made a disclosure about	DaVita Inc.	Neutral was contract attorney for DaVita Inc. through Epiq Global
Has made a disclosure about	Goldman Sachs & Co. LLC	Neutral was contract attorney for Goldman Sachs & Co. LLP through Epiq Global
Has made a disclosure about	Haight Brown & Bonesteel LLP	Neutral was contract attorney for Haight Brown & Bonesteel through Epiq Global
Has made a disclosure about	Husch Blackwell	Neutral was contract attorney for Husch Blackwell through Epiq Global
Has made a disclosure about	Kava Holdings	Neutral was contract attorney for Kava Holdings through Epiq Global
Has made a disclosure about	Morningstar Inc.	Neutral was contract attorney for Morningstar Inc. through Epiq Global
Has made a disclosure about	Norton Rose Fulbright-Houston	Neutral was contract attorney for Norton Rose Fulbright - Houston through Epiq Global
Has made a disclosure about	Shell Oil Company	Neutral was contract attorney for Shell Oil Company through Epiq Global
Has made a disclosure about	Sidley Austin LLP	Neutral was contract attorney for Sidley Austin LLP through Epiq Global
Has made a disclosure about	Wolluth Maher & Deutsch LLP	Neutral was contract attorney for Wolluth Maher & Deutsch LLP through Epiq Global
Has made a disclosure about	Zeta Global	Neutral was contract attorney for Zeta Global through Epiq Global
Has made a disclosure about	Zimmer Biomet	Neutral was contract attorney for Zimmer Biomet through Epiq Global
Has published	American Bar Association Section of Litigation	When Employee Secrets Become a Problem, 2006
Has published	Washington Univ. School of Medicine in St. Louis	Several research abstracts while affiliated with Washington University in St. Louis
I was a client of	Armstrong Teasdale LLP	Neutral is no longer associated with Armstrong Teasdale

Is a Member of Bar Association	American Bar Association	Presidential appointment to Standing Committee on Gavel Awards
Lectured for	American Bar Association Section of Litigation	Mental Health and Wellness for Attorneys
Lectured for	Logan University	Jurisprudence for Chiropractic Students
Licensed to Practice Law in	Illinois	#6279278
Licensed to Practice Law in	Massachusetts	#712065
Licensed to Practice Law in	Missouri	#53443
My firm/employer was a client of	Armstrong Teasdale LLP	Former employer, Springfield College, was a client of Armstrong Teasdale LLP
Non-investment related lawsuit/charge		Plaintiff in 2017 breach of contract case, judgment in favor of plaintiff
Non-investment related lawsuit/charge	Logan University	Defendant in Official Capacity as General Counsel in 2013 wrongful eviction case, dismissed
Previously on Board of Directors	City of Webster Groves	
Previously on Board of Directors	Miriam Foundation	Director
Received Honors	American Bar Foundation	Fellow
Received Honors	St. Louis Business Journal/Assn. Corp. Counsel	Top Education Counsel, 2014
Represented in legal action	AIG Capital Services, Inc.	As counsel (2002-2008) Concluded
Represented in legal action	Merrill Lynch, Pierce, Fenner & Smith Incorporated	As counsel (2002-2008) Concluded
Represented in legal action	Southwest Bank	As counsel (2002-2008) Concluded
Was a member of	American Bar Association	Litigation Section, Div. Director and Former Co-Chair of Commercial and Business Litigation and Tort
Was a member of	Association of Corporate Counsel	

PUBLICLY AVAILABLE AWARDS FOR CASES INVOLVING PUBLIC CUSTOMERS

Publicly Available Awards for Cases Involving Public Customers Section, Current as of 03/05/2025

<u>Case ID</u>	<u>Case Name</u>	<u>Close Date</u>	<u>Role</u>
22-02391	Thomas Elliott and Diann Elliott vs. Center Street Securities, Inc., Jack Robert Thacker, Jr., Micah Harding Rayner, et. al.	02/14/2025	Panelist

PUBLICLY AVAILABLE AWARDS FOR CASES NOT INVOLVING PUBLIC CUSTOMERS

Publicly Available Awards for Cases NOT Involving Public Customers Section, Current as of 03/05/2025

<u>Case ID</u>	<u>Case Name</u>	<u>Close Date</u>	<u>Role</u>
23-01307	Dustin Keith Ward vs. Oneamerica Securities, Inc.	12/20/2023	Panelist

CASES CURRENTLY ASSIGNED INVOLVING PUBLIC CUSTOMERS

<u>Case ID</u>	<u>Parties and Current Representatives of Record</u>	<u>Date Assigned</u>	<u>Role</u>
22-02555	Customer (Counsel: Mr. Mack Press, Esq., Washington, DC) vs. Arive Capital Markets (Counsel: Ms. Jodi Fauci, Cust, Staten Island, NY); Raquel E. Krispeal (Counsel: Mr. Anthony Varbero, Esq., Uniondale, NY); Giasamis Sideris (Counsel: Mr. Giasamis Sideris, Staten Island, NY); Lon Charles Faccini (Counsel: Mr. Lon Charles Faccini, Jr., Manorville, NY); Christopher Thomas Fusco (Counsel: Mr. John E. Lawlor, Esq., Mineola, NY); Joseph Anthony Amato, Rocco Gerard Guidici Pietro (Counsel: Mr. Bryan Ward, Esq., Atlanta, GA)	01/26/2023	Panelist
22-02365	Customer (Counsel: Mr. Peter J. Mougey, Esq., Pensacola, FL) vs. Center Street Securities, Inc. (Counsel: Mr. Donald Pollard, Port Jefferson, NY); Jack Robert Thacker (Counsel: Mr. Jack R. Thacker, Murfreesboro, TN); Micah Harding Rayner, Jason Price Lamb, Michael Anthony Romano (Counsel: Mr. James L. Kopecky, Esq., Chicago, IL); Thomas Samuel Lisk (Counsel: Mr. Thomas S. Lisk, Abingdon, VA); Billy James Aycock (Counsel: Mr. Billy J. Aycock, Nashville, TN); Jeffrey T. Kennedy (Counsel: Mr. Jon M. Stanfield, Esq., Overland Park, KS)	12/28/2022	Panelist

CASES CURRENTLY ASSIGNED NOT INVOLVING PUBLIC CUSTOMERS

<u>Case ID</u>	<u>Parties and Current Representatives of Record</u>	<u>Date Assigned</u>	<u>Role</u>
----------------	--	----------------------	-------------

There are no currently assigned cases.

ARBITRATOR BACKGROUND INFORMATION

I have practiced law since 2002, first as a business litigator and then as general counsel at three different colleges/universities. My most recent position was as the VP & General Counsel at Springfield College, in Springfield Massachusetts. I have extensive experience in litigating and arbitrating business, employment and labor issues. As to security claims, prior to going in-house, I represented both investors and broker/dealers.

I have homes both in St. Louis, Missouri and western Massachusetts.